



Project #: 527-A-00-02-00134-00
Reporting Period: July – September 2005¹
SO12

I. Summary of Activity Status and Progress

A. Introductory Paragraph

This quarterly report informs the progress² of the revised CEDEFOR project. It includes activities coming from the following projects: Von Humboldt – Aguaytía, Lesser Known Species and Intervention Areas Project. The aim is to effectively contribute to USAID's Strategic Objectives, especially those concerning alternative economic development opportunities in the Amazonian region.

The long term goal of WWF-Peru's **Certification and Development of the Forest Sector** – CEDEFOR is to promote modernization, formalization and efficiency of the Forest Sector by providing technical assistance and financial support to government, local communities and the private sector, thereby contributing directly to national economic growth, the conservation of forest resources, and to Government of Peru's Alternative Development Program.

After two years of the project implementation, CEDEFOR and USAID decided to make a revision of the project description. For that purpose, both institutions decided to contracted an external assessment team (composed by WWF US and USAID/INRENA staff), with the objective of evaluating CEDEFOR goals, objectives, and strategies according to the Peruvian reality and project status in order *to ensure an adequate and efficient implementation of the CEDEFOR project to achieve relevant impacts, results and objectives within the planned time and with the donor approved resources*. Results of this evaluation (revealed by the end of June) included several recommendations that CEDEFOR should consider as it moves towards its goals.

In this context, during this report period, CEDEFOR project passed through a process of reformulation of its project goals and strategies based on the recommendations given by an external assessment team as well as the project accumulated experience throughout two years of the project implementation.

In this regard, a new proposal was elaborated by CEDEFOR team in July 2005 and was implemented on field during August and September 2005. This proposal contemplate the following strategy: a) focus technical assistance in forest certification to a group of viable concessions and communities, removing the watershed vision, b) focus efforts in creating market for certified timber through providing assistance in COC certification to processing industry c) promote commercial links between producers and buyers in order to set up the

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² In order to provide a quick overview of the project's advances with respect to the project indicators and annual goals, a table has been incorporated to the standard summary of activities' progress report.(see in Annex 1)

basis of an integrated market of certified products in Peru, d) focus the work plan with INRENA in certification activities.

Highlights

- During this report period, a group of five communities (*CC.NN. Sawawo, CCNN Nueva Shaneya, CCNN Santa Rosa, CCNN Victoria, CCNN El Dorado*) located in Yurua (Ucayali) declared its firm interest in involving within a certification program. This initiative was taken following the successful experience of the indigenous communities administrated by AIDER in the process of forest certification. This result in a good opportunity to promote certification within community forests.
- As a result of the continuous technical assistance provided by WWF technical staff during the pre-evaluation and evaluation Chain of Custody certification process, *Aserradero Anaconda* (a manufacturer in primary processing industry) and *Hnos Palacios* (a secondary processing industry), successfully passed the **evaluation for Chain of Custody** conducted by an independent certifying organization, SKAL International. Both manufacturers are current buyers of WWF-Peru assisted concessions and communities in sustainable forest management (*AIDER and Consorcio Forestal Amazonico*).
- As a result of the continuous financial assistance provided by WWF business specialists, the concessionaire *Rivas Hermanos* achieved a loan of US\$ 50,000 from *Caja Municipal de Ahorro y Credito de Piura* (CMACP), which will be used in harvesting activities.

C. Table of Activity Status

Activity Number	Activity Title	Status	Page number for more information
1	Institutional Strengthening	On-track	3
2	Sustainable Forest Management and Forest Certification	On-track	5
3	Business and Market Development	On-track	8

Status Categories: Completed, On-track, Delayed, Mixed performance, Pending, Canceled

II. Description of Site Progress

a. Key short and long-term program objectives for the sites.

This project aims to achieve the following key objectives:

- R.1. To strengthen relevant capacities of government, civil society and private sector institutions in order to facilitate the forest concessions process and improve the economic viability of the forest sector.
- R.2. To increase forest productivity in selected representative, competitive and certified forest enterprises and local communities in the targeted regions, through sustainable and certified forest management and integrated chains of production.
- R.3. To increase the profitability of selected individual enterprises, forest consortia and local community enterprises, generating increased sales and employment opportunities, by strengthening their business management capacities, facilitating strategic alliances, and improving links to local, national and international markets.

b. Summary of Progress for Site (if this provides added value or clarity, otherwise skip this)

c. Activity Description

CEDEFOR component I: Institutional Strengthening

i. Summary of major achievements and progress

Results 1.1. National and regional governmental forest administration (INRENA) strengthened in order to effectively and efficiently coordinate actions, to modernize and reform the forest sector and the implementation of CITES Appendix II mahogany listing.

- During this period, WWF and INRENA worked together in the formulation of a common work plan for the coming period. Both institutions agreed with the importance of consolidate the certification program, for that reason, coming activities will be focused in this topic, and will consider the following aspects: a) Support INRENA in the approval of General Forest Management Plans (GFMP) and Annual Operating Plans (AOP) of the selected WWF assisted concessions, b) Support INRENA in the implementation of the MIRA-COC system to facilitate approval of PGMF or AOP as well as to follow up the harvesting of forest concessionaires. c) Provide INRENA with information concerning WWF accumulated experience in certification process, which will contribute to identify critical aspects throughout the certification chain as well as to identify the potential role of INRENA in resolving key obstacles so as to concede a concrete support to concessions and communities committed to certification.
- A regional level, WWF continued to provide support to Regional Forest Offices of INRENA. In Ucayali, WWF has worked with INRENA local staff in improving procedures and strategies to work with local concessionaires and Forest Management Committees (FMC), specifically, WWF supported INRENA-Aguaytía local office in the formulation of an action plan to consolidate the institutional strengthening of forest concessions in the region.
- Respect to the advances with Regional Governments, in San Martin, CEDEFOR and other key actors such as Chemonics, National Commission for Development and Life without Drugs (DEVIDA) and local authorities participated in a meeting organized by the Regional City Hall of Huallaga in order to identify main actions that should be taken within the Alternative Development Program of the region. As a result of this meeting, WWF committed to develop an

integrated plan for Saposo watershed which should include activities with local forests, restoration and reforestation of degraded areas, and secondary forest management.

Results 1.2. *Civil society institutions strengthened to actively participate in the sustainable management of forest resources and to combat illegal logging.*

- During this period, WWF provided support to certain Forest Management Committees (FMC), mainly those located in Ucayali and Huanuco. Assistance was oriented to support FMC in the formulation and implementation of work plans, as well as to solve INRENA's observations concerning the application procedure for legal recognition of the FMC.

Results 1.3. *Private sector associations strengthened and consolidated with strategic plans, and with the capacity to contribute effectively to forest sector modernization.*

- In Huanuco, WWF participated in meetings with the National Chamber of Forestry of Tingo Maria, which concluded in a firm commitment of this institution to promote responsible forest management and reforestation practices, within the group of its associates.

ii. Key management issues

- After an authority absence period, the presidency of the Cabinet finally designed Mr. Carlos Chamochumbi Numbaca as new chairman of the Multi Sectorial Commission to Combat Illegal Logging (MSCCIL). Activities for the development of the MSCCIL's operational plan were paralyzed during the report period as there was no chairman to lead the process, for the coming period, WWF commits to promote the development of this important issue in the meetings.
- WWF-Peru participated in a workshop which the national communication strategy to combat illegal logging was presented to different key actors of the forest circle. This national strategy is being incorporating in WWF's communication actions concerning illegal logging activities, which are especially in relation with CEDEFOR project.

CEDEFOR component II: Sustainable Forest Management and Forest Certification

i. Summary of major achievements and progress

Results 2.1. *Forest concessions and local communities in selected areas and watersheds implementing sustainable forest management and committed to voluntary forest certification*

Forest Management and Technical Assistance

- CEDEFOR continued to provide technical assistance to 47 concessionaires covering an area of 914,714 hectares in the five regions. Below is a table of the enterprises per region that continue to receive CEDEFOR technical assistance.

Region	Madre de Dios	Ucayali	San Martín	Huanuco	Loreto
Concessions	5	8	5	13	16
Hectares	248,018	301,314	74,551	135,200	155,631

- Due to WWF strategy oriented to concentrated efforts in few key forest concessions with good prospects for achieving forest certification, CEDEFOR has decreased the number of concession assisted since 2004.

Period	October – December 2004	January – March 2005	April – June 2005	July – September
Concessions	128	106	98	47
Hectares	2,194,905	1,728,267	1,613,227	914,714

- Technical assistance for the elaboration of **General Forest Management Plans (GFMP)** and **Annual Operating Plans (AOP)** is currently in progress. During this period, three AOP in Ucayali and five AOP in Huanuco were submitted to INRENA for their approval. Also, four GFMP and 13 AOP were revised and resubmitted to INRENA following an appropriate review of the INRENA's observations. These plans are expected to be approved within the next quarter. Furthermore, one GMFP and AOP were approved by INRENA. The tables below provide details of the advances to date in GFMP and AOP development.

GFMP	N° of GFMP Submitted		N° of GFMP Re-Submitted		N° of GFMP approved	
	N°	Área (ha)	N°	Área (ha)	N°	Arrea (ha)
TOTAL Period	-	-	4	44921	1	7,169

Region	N° of AOP Submitted		N° of AOP Re-Submitted		N° of AOP approved	
	N°	Área (ha)	N°	Área (ha)	N°	Arrea (ha)
MDD	-	-	-	-	-	-
UCA	3	1,289	4	1,557	1	290
SM	-	-	2	525	1	267
HUA	5	1,280	7	2,929	2	1,499
LO	-	-	-	-	-	-
TOTAL Period	8	2,569	13	5,011	4	2,056
ACCUMULATED TOTAL since 2003	132	82,819	-	-	98	62,521

- During this report period, WWF continued providing **technical assistance** to concessionaires toward certification. Main advances in regions are mention subsequently:
 - o In Madre de Dios, WWF supported the concessionaire *Maderacre & Maderija* in the implementation of its action plan for certification in the following activities: implementation of an exploratory forest inventory of a total area of 93,200 hectares, evaluation of High Conservation Value Forest (HCVF) and wildlife, elaboration of a manual of internal rules and procedures as well as the identification of key conditions that should be contemplate within an industrial security plan.
 - o In Ucayali, WWF supported the certified indigenous communities administrated by the Association for Integral Development - AIDER³ (35,681 hectares) in the implementation of corrective actions suggested following the certification evaluation. In this regard, WWF assistance was focused in the evaluation of HCVF within the indigenous territories.
 - o In Huanuco, as part of the activities of Reduced Impact Logging (RIL), an innovative skidding technique, which consist in a previous identification of the best route by where the tractor should pass in order to not disturb the forest, was implemented in the concessionaire *Wenceslao Carlos Muñoz Landa*. This technique reduces to the minimum the impact of damages on the forest following harvesting activities⁴, so it will be introduced by WWF technical staff in others assisted concessionaires in order to facilitate efficient harvesting activities that contribute to respect forest environment and create conditions to achieve certification.
- WWF continued implementing **capacity building activities in forest management** for forest users (forest concessionaires and field personnel). In Loreto, WWF-Peru organized a workshop named Technical aspects to elaborated Exceptional Forest Management Plans (EFMP), where both forest concessionaires and technicians received field training in activities related to the elaboration of EFMP. In Ucayali, WWF supported the development of a workshop of Community Forest Management organized by AIDER⁵, in which participate representatives of community forests and other regional actors who work with communities such as INIA, IIAP, INRENA, and the Regional Government.
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- Furthermore, with the purpose of promoting a common understanding of certification process in Peru, WWF organized a workshop regarding to Forest and Chain of Custody (CoC) Certification. During two days, more than 30 representatives of forest concessionaires and manufacturers, accredit certifiers (SGS, SKAL International), private forest consulting firms, others ONGs and key institutions along with WWF technicians, shared experiences concerning the findings and advances in certification process in Peru. As a result of this event, WWF staff elaborated a common strategy for the implementation and monitoring of certification process of the WWF assisted concessions and communities.

Forest and CoC Certification

- During this period, WWF facilitated the implementation of the diagnostic evaluation in two **forest concessions** located in Ucayali (Von Humboldt Forest, 44,306 hectares) and Huanuco (Wenceslao Carlos Muñoz Valdivia, 5,171 has) who have declared a firm interest in practicing a responsible forest management. Additionally, in Madre de Dios, WWF specialists continued to giving support Maderacre & Maderija (93,200 hectares) in the implementation of the action plan for certification of the concessionaire.

³ AIDER is the Forest Regent of five indigenous communities that achieved certification with WWF assistance. The scheme of Forest Regent was developed to allow small landowners apply for Forest Certification as a group. This model recognizes one organization as the Forest Regent which is responsible for the sustainable forest management of its partners.

⁴ This technique has demonstrated good results in other countries were it has been implemented (Brasil, Costa Rica, Bolivia).

⁵ Idem 3.

- In terms of Forest Certification within **community forests**, WWF promoted important initiatives. Looking at the successfully experience of AIDER's indigenous communities in the certification evaluation, a group of communities located in Yurua (Ucayali) has declared its firm interest in involving within a certification program. The latter communities cover an area of 142,000 hectares, and it is composed by five indigenous communities (CC.NN. Sawawo, CCNN Nueva Shaneya, CCNN Santa Rosa, CCNN Victoria, CCNN El Dorado). In this regard, WWF supported these communities facilitating the process of registration and enlargement of their territories, for that, WWF contacted representatives of Ministry of Agriculture.
- Respect to **Chain of Custody** (COC) certification, WWF has made significant progress. *Aserradero Anaconda* (a manufacturer in primary processing industry) and *Hnos Palacios* (a secondary processing industry), current buyers of WWF-Peru assisted concessions and communities in sustainable forest management, successfully passed the evaluation for Chain of Custody conducted by an independent certifying organization, SKAL International. Located in Pucallpa, *Aserradero Anaconda* is provided with timber from community forest (*AIDER*)⁶ and concessions (concessionaire *Consorcio Forestal Amazonico*).
- Additionally, during this period, four forest enterprises passed through diagnostic evaluations in order to initiate COC certification process, following they were assisted by WWF technical staff supported in the formulation and implementation of their action plans for certification. These enterprises included 02 forest concessionaires with primary processing industry located in Ucayali (*Forestal Nieto*) and Huanuco (*Wenceslao Carlos Muñoz Landa*), a manufacturer in primary processing industry located in Madre de Dios (*Agroindustrial Victoria*) and a manufacturer in secondary processing industry located in Lima (*Alida*).

Watersheds

- Integrated **watershed** management is a strategy utilized to establish areas free of illegal logging and illicit crops and where ecological services can be sustainably maintained. During this period, WWF staff in Madre de Dios executed certain actions in achieving this goal, focusing its activities in Rio La Piedras watershed. In this area, WWF executed a preliminary fieldwork to identify the main actors existing within the prioritized watershed to characterize it. In this process, WWF carried out some meetings with the representatives of the native communities (Monte Salvado, Savaluyoc, Zapallal, Puerto Nuevo, Boca Pariamanu y Puerto Arturo) who has declared a great interest in involving within a certification process.

Results 2.2. *Degraded areas in the ADP area of influence recuperated through sustainable management plans, restoration and reforestation activities*

No activities done in this Objective.

ii. Key management issues

- As part of the new approach of the CEDEFOR project, WWF-Peru has stopped actions in prioritized watersheds, so during this report period only a few activities were done in this aspect. New approach will focus on working directly with a reduced group of viable forest enterprises and communities committed to forest certification, who are willing to invest efforts in sustainable forest management. This will reduced costs associated with logistics of monitoring and supervision of field activities while at the same time it permits a more detailed analysis of the strength of the concessions system at the field level.

⁶ *Idem* 3.

CEDEFOR component III: Business and Market Development

i. Summary of major achievements and progress

Results 3.1. *Business and technical capacities of forest enterprises improved, ensuring the increase in profitability and generation of employment opportunities through economically viable operations*

- In terms of **capacity building** in business management and internal organization, during this period, WWF provided assistance to six concessionaires in Madre de Dios (*Emetci SAC, Emini SAC, Emfor Portillo, Inbaco SAC, Epefomsg SAC y Emavisjug SAC*), three concessionaires in Ucayali (*Von Humbolt Forest SAC, BTA y Jorge Acosta Zarate*), four concessionaires in Loreto (*Forestal Ecológicos del Mazán S.A.C., Rolver Flores, San Pedro de Chambirillo S.A.C. y Agrupación Maderera Anidolly S.A.C.*) and a concessionaire in San Martin (*Forestal Alto Saposoa*). Assistance was focused in the formulation of business plans as well as in the elaboration of manuals of internal organization (a requirement to certify). As part of the business plan in order to establish commercial links with manufacturers, WWF-Peru business specialists supported forest concessionaires in the formulation of cash flow and cost analysis, as well as in the process of reviewing legal aspects concerning to the formalization of business contracts.
- During this report period, WWF staff in Ucayali achieved additional progress in the establishment of **forest enterprise consortia**. In that region, WWF facilitated meetings between three forests concessionaires (*Proyect World Green Peru SAC, Empresa Forestal El Aguajal SAC and Von Humbolt Forest SAC*) who are willing to join efforts to built strategic alliances with the purpose of establishing value chains from which all of them will benefit. These concessions represent a total of 93,191 hectares.
- In Ucayali, WWF promoted the development of a forest **chains of production** between a forest concessionaires (*Fine Forest SAC*) and manufacturer (*Grupo Flores*) with the purpose of ensuring a market for the products of this concessions. At the same time, WWF facilitate the consolidation of the commercial agreement between five forest communities from Yurua and a manufacturer in primary processing industry (*Forestal Venao*).
- A total of two concessionaires (*Von Humboldt Forest, Carlos Muñoz*) and five communities (administrated by *Forest Regent AIDER*) are currently harvesting LKS species. Certified timber coming from those communities are sold immediately and with higher price in market in comparison with LKS timber that is not certified. In addition, through articulated chains of production, 11 industrial enterprises are processing LKS species.
- A total of 19,126 temporary positions were generated during this report period. In terms of timber sales, a total of 6,805 cubic meters were sold in Ucayali, and 23,220 pt were sold in Madre de Dios, both negotiations represented a value of USD 401,928. In terms of LKS species, in Madre de Dios, LKS were harvesting for a total amount of US\$ 57,738 equivalent to 154,450 m3.
- During this period, WWF through CEDEFOR project, completed and published two books concerning the COC certification process: a) *Findings in evaluation and implementation of Chain of Custody system* and b) *Manual of Procedures for Chain of Custody certification at the entrance of the forest and in manufacturer processing primary industry*. Additionally, other book was published, *Timber demand in the North Peruvian Corridor*, which was the result of a timber market research done by three institutions (WWF, PEAM and DED) during the last year. A total of 2,500 copies of these books will be distributed nationally in print to forest concessionaires, exporting enterprises, consulting agencies and institutions, as well as universities.

Results 3.2. An established financial services mechanism will continue to provide support for forest enterprise development

- During this report period, WWF supported the concessionaire Rivas Hermanos in the process of applying for a loan from Caja Municipal de Ahorro y Credito de Piura (CMACP). For this purpose, WWF assistance oriented to support in the negotiation process with the buyers (manufacturers) and CMACP, as well as in the formulation of a business plans. Finally, the loan was conceded to the concessionaire for a valued of US\$ 50,000, and it will be used in harvesting activities.
- In Ucayali, the concessionaire Horacio Pipo returned the loan conceded by Caja Rural de San Martín (CRSM) as part of the financial services mechanism which provides credits to resource-poor forest enterprises. In addition to this, WWF assisted EFASAC enterprise in the formulation of its Refinancing Plan with CRSM (Caja Rural de San Martín), which will be used to increase the supply of its forest products.

ii. Key management issues

- As part of the recommendations from the assessment team, WWF decided to stop to provide additional loans to concessionaires through the *Caja Rural de San Martin* and *CEDISA*. In this sense, CEDISA will return to WWF the financial funds, which will be use in the implementation of the certification program. WWF assistance in this topic will focus in proving support to ensure the well-used of the loans conceded, through the establishment of commercial agreements between concessionaries and manufacturers, as well as providing capacity building in business management.

III. Success Stories and Other Appendices

When appropriate and possible, include one or more one-page success stories appropriate for public dissemination.

ACRONYMS

ACOFORSAN	Association of Forest Concessions, San Martin
ACOFOPU	Association of Forest Concessions, Ucayali
ADIMARSAN	Association of Timber Industries in the San Martin Region
AFOL	Association of Forest Users, Loreto
AIDER	Association for Integral Development
AIDSEP	Inter-ethnic Development Association for the Peruvian Tropical Forests
AOP	Annual Operating Plan
AMRESAM	Municipality association of San Martin.
ASCART	Association of Brazil nut producers of Madre de Dios.
ATPDEA	Andean Trade Promotion and Drug Eradication Act
CEDEFOR	Certification and Development of the Forest Sector – Peru
CEDISA	Center of development and investigation of the tropical montane forest
CITES	Convention on International Trade in Endangered Species
CP-CFV	Peruvian Council for Voluntary Forest Certification
CRSM	San Martin Credit Union
PRODEFOR	Forest Sector Development Program, Amazonia – Peru
DEVIDA	National Commission for Development and Life Without Drugs
EXPORTIMO	Certified Furniture Company
FENAMAD	Indigenous Federation of Madre de Dios
FADEMAD	Agrarian Development Federation of Madre de Dios
FMC	Forest Management Committee
FONDEBOSQUES	Fund for the Promotion of Forest Development
FSC	Forest Stewardship Council
GFMP	General Forest Management Plan
GFTN	Global Forest Trade Network
GIS	Geographical Information Systems
GPS	Global Positioning System
GOP	Government of Peru
HCVF	High Conservation Value Forest
INRENA	National Institute for Natural Resource Management
ITTO	International Tropical Timber Organization
LKS	Lesser Known Species
MDD	Madre de Dios department
MIV	Modular Implementation and Verification methodology
OSINFOR	Supervisory organization for Forest Investment
PCM	Presidential Council of Ministers
SFM	Sustainable Forest Management
SPDE	Peruvian Society for Eco- Development
SUNAT	Peruvian Tax Authority
TRAFFIC	Wildlife trade monitoring network
UNALM	National Agrarian University, La Molina
UNAP	National University for the Peruvian Amazon

Annex 1:

In this part of the report, a table with the detail of indicators and goals is added in order to provide a quick overview of the project's advances.

Results	Indicators Global Program	Goals 2005 (Year 1)	Progress (July – September 2005)	Accumulated
COMPONENT 1. INSTITUTIONAL STRENGTHENING				
1.1 National and regional governmental forest administration (INRENA) strengthened in order to effectively and efficiently coordinate actions, to modernize and reform the forest sector and the implementation of CITES Appendix II mahogany listing	Capacities of administrative and scientific authorities strengthened to ensure effective implementation of CITES Appendix II Mahogany	Strategic and operating plan of the two authorities. Support of personnel and UNALM support for INRENA through ITTO project. Implementation of first phase of ITTO project: system of production control and mahogany flow elaborated. First evaluation of state of mahogany populations. Control of 20 concessions active in mahogany harvesting.	During this period, INRENA and WWF agreed with the importance of consolidate the certification program, and committed the development of the work plan in this issue.	WWF has supported INRENA in the different moments and issues such as: elaboration of a proposal to control mahogany exportation, formulation of a guideline of procedures to concede CITES exploitation permissions, development of statistical analysis of forest exportation.
	INRENA staff in Lima, Ucayali, Madre de Dios, Loreto, Huanuco and San Martín trained and effectively supervise sustainable forest management and control illegal logging.	The ITFFS of INRENA with adequate capacity to evaluate and approve the GFMP, AOP, FMC. Improvement in control and administrative conditions of ATFFS of MDD, UCA and SM. Control posts installed in Atalaya, Sepahua, Aguaytía. 100 GFMP and AOP approved.	In Ucayali, WWF has worked with INRENA local staff in improving procedures and strategies to work with local concessionaries and Forest Management Committees (FMC).	WWF-Peru provided support for INRENA personnel to effectively evaluate 86 General Forest Management Plans (GFMP) and 62 Annual Operating Plans (AOP).
	A national Multi-Sectoral Commission to combat illegal logging and three (03) regional commissions with action plans and strategies in implementation.	Multi-Sectoral Commission to combat illegal logging in operation with budget. Training of personnel of key institutions. Annual report of state of illegal logging. Development of evaluation and field control system.	During this period, the National Multi-Sectoral Commission to combat illegal logging has stopped its activities temporally because of its president deceased. No advances during this period.	WWF-Peru had supported the National Multi-Sectoral Commission to combat illegal logging, in different moments and issues such as development its strategic plan and operational plan.
1.2 Civil society institutions (FMC, local communities)	Eighteen (18) forest management committees with	Ten (10) FMC with development plans approved and in implementation.	WWF provided support to Local Forest Management Committees (FMC) in the formulation and implementation of work	WWF supported the establishment of 21 Forest Management Committees (FMC). 14 FMC in San Martín, 03 FMC in Madre

Results	Indicators Global Program	Goals 2005 (Year 1)	Progress (July – September 2005)	Accumulated
local communities, indigenous federations and NGO) strengthened to actively participate in the sustainable management of forest resources and to combat illegal logging	committees with development and anti-illegal logging plans in implementation		formulation and implementation of work plans, as well as to solve INRENA's observations concerning the application procedure for legal recognition of the FMC.	14 FMC in San Martín, 03 FMC in Madre de Dios, 03 FMC in Ucayali y 01 FMC in Huanuco.
1.3 Private sector associations strengthened and consolidated with strategic plans, and with the capacity to contribute effectively to forest sector modernization	One (01) national and five (05) regional forest producers and industry associations with strategic plans for national and international markets	Re-launching of the National Timber Confederation with new statutes, and CP-CFV with an autonomous operating plan.	In Huanuco, WWF participated in meetings with the National Chamber of Forestry of Tingo Maria promote responsible forest management and reforestation practices.	Along the project WWF focused in providing technical assistance to timber producers associations at a regional level, mainly in three regions: Madre de Dios, San Martin and Ucayali. WWF assistance focused in supporting organizational strengthening to forest concessionaries associations, particularly for formalization and for the development of Strategic Plan.

Results	Indicators Global Program	Goals 2005 (Year 1)	Progress (July – September 2005)	Accumulated
COMPONENT II. SUSTAINABLE FOREST MANAGEMENT AND CERTIFICATION				
2.1 Forest concessions and local communities in selected areas and watersheds implementing sustainable forest management and committed to voluntary forest certification	One (01) million ha. administered by forest concession enterprises and consortia certified according to credible international standards or in process of certification and 100,000 ha. of community forests certified according to credible international standards and/or in process of certification.	<p>536,744 Ha. with pre-evaluation and/or MIV diagnostics.</p> <p>400,000 ha. with action plans for certification.</p> <p>90,000 ha. with a complete evaluation for forest certification.</p> <p>45,000 ha. of community forests with pre-evaluation and/or MIV diagnostics of which 30,000 ha. with action plans for certification.</p> <p>27,000 ha. of community forests with credible, international group certification of Brazil nut (NTFP - Non Timber Forest Products).</p>	<p>49,477 Ha. with pre-evaluation and/or MIV diagnostics. Von Humboldt Forest (44,306 has) Wenceslao Carlos Muñoz Valdivia (5,171 has)</p> <p>02 forest enterprises covering 106,850 hectares with Action Plans for certification: -Forestal BTA (13,650 hectares) -Maderacre & Maderija (93,200 hectares)</p> <p>35,681.63 has of community forests administrated by a Forest Regent (AIDER) has approved the evaluation for certification.</p> <p>142,000 hectares belonging to 05 community forests in Ucayali (CC.NN. Sawawo, CCNN Nueva Shaneya, CCNN Santa Rosa, CCNN Victoria, CCNN El Dorado) have declared their interest to initiate a process of certification.</p>	<p>In 2004, 332,919 hectares were evaluated but 199,000 hectares with problems of overlap with communities.</p> <p>33 concessions has declared their initiative for certification: 02 in Loreto 08 in San Martin 12 in Ucayali 11 in MDD. Total amount: 1,200,000 hs.</p> <p>02 Certification initiative of community forest covering an area of 177,681 has.</p> <p>26,950 hectares Certification of First Annual Audit of ASCART territories certification was positive. Forest Regent - ASCART ()</p>

Results	Indicators Global Program	Goals 2005 (Year 1)	Progress (July – September 2005)	Accumulated
	An area of 2,500,000 ha. with management plans approved by INRENA and four (04) indigenous communities with basic technical assistance with management plans approved by INRENA (500,000 ha)	80 forest concessions and one (01) indigenous community with technical assistance, with sustainable general forest management plans (GFMP) and annual operating plans (AOP) approved by INRENA (1.8 million ha).	<p>During this period, 47 concessions have received technical assistance</p> <p>During this period 04 GPFM were re-submitted to INRENA, all of which are pending approval. (44,921 has)</p> <p>During this period, 08 AOP were completed and submitted to INRENA, as well as 13 AOP were re-submitted to INRENA, all of which are pending approval. (7,593 has)</p>	<p>128 forest concessions had received assistance from WWF-Peru.</p> <p>81 forest concessions with GFMP covering a total area of 1,523,589 hectares.</p> <p>132 AOP completed and submitted to INRENA covering a total area of 82,819 hectares.</p>
	Seven (07) critical areas and watersheds with integrated sustainable forest management plans (forest- industry) with stakeholder participation taking into account some of the USAID priority areas	Ecological and socioeconomic characterization of five (05) priority watersheds. Forest Management Plan framework for priority watersheds	In Rio La Piedras watershed, WWF executed a preliminary fieldwork to identify the main actors existing within the prioritized watershed to characterize it. (Madre de Dios)	<p>In Ucayali, WWF-Peru technicians coordinated with the National University of Ucayali (UNU) the collection and systematization of ecological and socio-economic information from the field, including High Conservation Value areas (HCV) and vulnerable zones in four watersheds: Aguaytia, San Alejandro, Utiquinía and Cohengua.</p> <p>In San Martin, 07 of 12 municipal conservation areas were economically, socially and ecologically characterized. In the prioritized Río Saposo watershed, potential areas for reforestation and landscape restoration were previously identified.</p> <p>In Huánuco, the Magdalena watershed was analyzed.</p>

Results	Indicators Global Program	Goals 2005 (Year 1)	Progress (July – September 2005)	Accumulated
	Fifteen (15) Chains of Custody involving primary and secondary transformation	<p>12 enterprises with Chains of Custody (CoC) diagnostic evaluations.</p> <p>07 enterprises with action plans for implementing CoC.</p> <p>Organization of producers group for responsible business of mahogany.</p>	<p>04 enterprises evaluated: Alida, Agroindustrial Victoria, Forestal Nieto, Carlos Muñoz Valdivia.</p> <p>04 enterprises with action plans for implementing CoC: Alida, Agroindustrial Victoria, Forestal Nieto y Carlos Muñoz.</p> <p>01 enterprise certified: Aserradero Anaconda y Hnos Palacios.</p> <p>01 enterprise is interested in taking part in the Producers Group: Forestal Venao</p>	<p>13 enterprises evaluated.</p> <p>13 enterprises with action plans for implementing CoC.</p> <p>03 enterprises certified: Fast Trade, Triplay Amazónico S.A.C., GEA S.A., Forestal Venao, Aserradero Anaconda.</p> <p>11 enterprises interested in forming a group of responsible business of mahogany. Maderacre & Maderija, Triplay Amazonico, GEA, Maderera Palacios, Aserradero Anaconda, Exportimo, Super Pisos, Oficio Aurea, AIDER, Fast Trade and Forestal Venao.</p>
	Environmental Impact studies at the commencement and completion of project activities in area of influence of CEDEFOR	Monitoring plan designed at the concession, ecosystem and watershed level.	WWF has considered transfer the monitoring of Permanent Monitoring Plots (PMP) to a specialized institution. During the following months, Terms of Reference will be prepared.	01 Monitoring Plan designed at the concession, ecosystem and watershed level. (Draft Document)

Results	Indicators Global Program	Goals 2005 (Year 1)	Progress (July– September 2005)	Accumulated
COMPONENT 2. SUSTAINABLE FOREST MANAGEMENT AND CERTIFICATION				
2.2 Degraded areas in the ADP area of influence recuperated through sustainable management plans, restoration and reforestation activities	34,000 ha. of secondary forests and agroforestry systems with management plans	10,000 ha of secondary forests and agroforestry systems with management plans.	No advances during this period.	In Aguaytia, a proposal of 8321 hectares of reforestation concessions were submitted to INRENA. Transferring process of 09 hectares of green belt to local communities (Barrio Unido, Nueva Tahuantinsuyo y Corazón de Jesús)
	1,000 ha. of existing plantations evaluated and with rehabilitation plans	1,000 ha. of existing plantations evaluated and with rehabilitation plans	No advances during this period.	In San Martín 200 hectares were evaluated.

Results	Indicators Global Program	Goals 2005 (Year 1)	Progress (July – September 2005)	Accumulated
COMPONENT 3. BUSINESS AND MARKET DEVELOPMENT				
3.1 Business and technical capacities of forest enterprises improved, ensuring the increase in profitability and generation of employment opportunities through economically viable operations	Forest business activities generate 300,000 temporary employment days and 7,000 permanent employment opportunities for local populations	200,000 days of temporary employment and 600 permanent employment positions	19,126 temporary employment positions: Madre de Dios: 279 positions Ucayali: 420 positions San Martin: 679 positions Huanuco: 17,848 positions	615,734 temporary employment positions were generated up to date.
	Transformed forest products from management plans from assisted concessionaires sold at a value of USD 55 million	Sales of transformed primary forest products from assisted concessionaires at a value of USD 14.5 million. 60 forest concessions assisted and trained in the modules and formation of business plans and consortia and/or alliances.	In Ucayali, total sales of 6,805 m ³ , at a value of US\$ 378,287 In Madre de Dios, total sales of 23,220 pt at a value of US\$ 23,641.	In 2002/2003 period, sales accumulated for 1,990 m ³ at a value of US\$ 46,079. In 2003/2004 period, sales accumulated for 37,990 m ³ at a value of US\$ 4,209,373. In 2004/2005 period, sales accumulated for 45,156 m ³ at a value of US\$ 5,097,379.
	Transformed forest products of Lesser Known Species from management plans of assisted concessionaires sold at a value of USD 13.7 million	Transformed forest products of Lesser Known Species from management plans of assisted concessionaires sold at a value of USD 3.5 million	In Madre de Dios, LKS were harvesting for eight concessionaires, for a total amount of US\$ 57,738 equivalent to 154,450 m ³ .	In first Timber Trade Workshop in Madre de Dios, 22 different species were negotiated, more than 490 m ³ corresponded to Lesser Known Species for an estimated value of US\$ 65,000. In second Timber Trade Workshop in San Martin, 16 different species were negotiated, approximately US\$ 671,460 corresponded to Lesser Known Species.

Results	Indicators Global Program	Goals 2005 (Year 1)	Progress (July – September 2005)	Accumulated
	12 concessionaires and/or communities and 3 industrial enterprises harvesting and processing eight (08) LKS species.	12 concessionaires and 3 industrial enterprises harvesting and processing eight (08) LKS species.	During this period, 08 concessionaires and 01 Forest Regent harvested LKS species: <u>Ucayali</u> AIDER (06 indigenous communities) <u>MDD</u> Tahuamanu (Emini, Enforportillo B), Tambopata (Shihuahuaco Timber, Madebol, Madefol) y Manu (Inbaco A y B, Emavisjug).	08 concessionaires and 01 Forest Regent are currently harvesting LKS species: <u>Ucayali:</u> Forestal BTA, EFASAC VON HUMBOLT FOREST, Horacio Pipo, AIDER (06 indigenous communities) <u>San Martín:</u> Aserradero Tarapoto <u>Huanuco:</u> Carlos Muñoz Edmundo Muñoz, Aserradero Tingo María Julio Méndez
3.2 An established financial services mechanism will continue to provide support for forest enterprise development	A total of USD 588,000 will be distributed in loans through a Trust Fund mechanism for medium and small scale forest users	USD 588,000 awarded in loans to consortia and/or strategic business alliances of forest concessions	WWF supported the concessionaire Rivas Hermanos in the process of applying for a loan from Caja Municipal de Ahorro y Credito de Piura (CMACP). (US\$ 50,000) In Ucayali, the concessionaire Horacio Pipo returned the loan conceded by Caja Rural de San Martín (CRSM).	In Ucayali, WWF supported initiatives for establishing 04 chains of production: a) PWGP and Partes & Piezas SAC, b) Von Humbolt Forest and Value Investments, c) Forestal BTA SAC and NCS American Forestal, d) Regent AIDER and Anaconda SAC. In San Martin, WWF assisted Empresa Maderera Rivas Hnos (EMARI) to request for capital loans of US \$ 50,000 from Caja Municipal de Ahorro y Credito de Piura (CMAC PIURA).